



## Hydro One and Avista Reach Settlement in Principle in Washington Merger Case

03/16/18

### ***Settlement Agreement to be filed with the Washington Utilities and Transportation Commission***

TORONTO and SPOKANE, Wash., March 16, 2018 (GLOBE NEWSWIRE) -- Hydro One Limited ("Hydro One") (TSX:[H](#)) and Avista Corporation ("Avista") (NYSE:[AVA](#)) have reached a significant milestone in the regulatory approval process of the proposed merger. Notification of a settlement in principle with various parties has been filed with the Washington Utilities and Transportation Commission ("WUTC"). The parties intend to file a settlement agreement with the WUTC on or before March 27, 2018. The settlement in principle is subject to the review and approval of the WUTC. Hydro One and Avista continue to anticipate closing the transaction in the second half of 2018.

"This agreement in principle marks an important step towards bringing together two historic companies positioned to deliver long-term value for customers, employees, communities and shareholders," said Mayo Schmidt, President and CEO, Hydro One. "As we move forward to obtain the necessary regulatory approvals, we continue to actively engage the parties involved to the benefit of all groups."

"This is a significant achievement and the result of the collaboration and diligent efforts of all the parties over the last several months," Avista Chairman and Chief Executive Officer Scott L. Morris said. "We look forward to filing the settlement agreement later in March and affirming the commitments we've made to all of our stakeholders."

The settlement in principle includes provisions related to financial protections for the utility and its customers, low income customers, conservation and the environment.

The settlement in principle also incorporates the use of a portion of Avista's deferred federal income taxes for the purpose of accelerating the depreciation schedule for Colstrip Units 3 and 4 to reflect a remaining useful life of those units through Dec. 31, 2027. This settlement in principle does not reflect any agreement with respect to the ultimate closure of Units 3 and 4.

All of these items and other terms of the agreement will be disclosed in detail when the settlement agreement is finalized and filed for approval by the WUTC, which is expected to be on or before March 27, 2018.

In addition to Hydro One and Avista, the parties to the merger proceeding include the Staff of the WUTC, the Public Counsel Unit of the Washington Office of Attorney General, the Northwest Industrial Gas Users, the Industrial Customers of Northwest Utilities, The Energy Project, Northwest Energy Coalition, Renewable Northwest, Natural Resources Defense Council, Sierra Club and the Washington and Northern Idaho District Council of Laborers.

The transaction received approval from the Federal Energy Regulatory Commission ("FERC") on Jan. 16, 2018 and from Avista shareholders on Nov. 21, 2017.

Applications for regulatory approval of the transaction are still pending with utility commissions in Washington, Idaho, Oregon, Montana and Alaska. Approval must be obtained from the Federal Communications Commission. Also required is clearance by the Committee on Foreign Investment in the United States, and compliance with applicable requirements under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, as well as the satisfaction of other customary closing conditions.

### **For further information:**

#### **Hydro One**

Media:  
Jay Armitage  
Director, Corporate Communications  
[media.relations@hydroone.com](mailto:media.relations@hydroone.com), 416-345-6868

Investors:  
Omar Javed  
Director, Investor Relations  
[investor.relations@hydroone.com](mailto:investor.relations@hydroone.com), 416-345-5943

#### **Avista**

Media:  
Casey Fielder, Communications Manager  
[casey.fielder@avistacorp.com](mailto:casey.fielder@avistacorp.com), 509-495-4916

Investors:  
Lauren Pendergraft, Investor Relations Manager  
[lauren.pendergraft@avistacorp.com](mailto:lauren.pendergraft@avistacorp.com), 509-495-2998

### **About Hydro One Limited**

We are Ontario's largest electricity transmission and distribution provider with more than 1.3 million valued customers, over \$25 billion in assets and 2017 annual revenues of nearly \$6 billion. Our team of over 7,400 skilled and dedicated regular and non-regular employees proudly and safely serves suburban, rural and remote communities across Ontario through our 30,000 circuit km of high-voltage transmission and 123,000 circuit km of primary distribution networks. Hydro One is committed to the communities we serve, and has been rated as the top utility in Canada for its corporate citizenship, sustainability, and diversity initiatives. We are one of only five utility companies in Canada to achieve the Sustainable Electricity Company designation from the Canadian Electricity Association. We also provide advanced broadband telecommunications services on a wholesale basis utilizing our extensive fibre optic network. Hydro One Limited's common shares are listed on the Toronto Stock Exchange (TSX:H).

#### **Forward-Looking Statements and Information**

This press release may contain "forward-looking information" within the meaning of applicable securities laws. Words such as "expect," "anticipate," "intend," "attempt," "may," "plan," "will," "can", "believe," "seek," "estimate," and variations of such words and similar expressions are intended to identify such forward-looking information. These statements are not guarantees of future performance or actions and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking information. Some of the factors that could cause actual results or outcomes to differ materially from the results expressed, implied or forecasted by such forward-looking information, including some of the assumptions used in making such statements, are discussed more fully in Hydro One's filings with the securities regulatory authorities in Canada, which are available on SEDAR at [www.sedar.com](http://www.sedar.com). Hydro One does not intend, and it disclaims any obligation, to update any forward-looking information, except as required by law.

#### **About Avista Corporation**

Avista Corporation is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. [Avista Utilities](#) is our operating division that provides electric service to 382,000 customers and natural gas to 347,000 customers. Its service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.6 million. Alaska Energy and Resources Company is an Avista subsidiary that provides retail electric service in the city and borough of Juneau, Alaska, through its subsidiary [Alaska Electric Light and Power Company](#). Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit [www.myAvista.com](http://www.myAvista.com).

This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2017 and the Quarterly Report on Form 10-Q for the quarter ended Dec. 31, 2017.